

Message Text

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64

ACTION ARA-10

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FM AMEMBASSY QUITO

TO SECSTATE WASHDC 6681

INFO AMEMBASSY CARACAS

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SUBJECT: ECUADOREAN PRESS CRITICISM OF POSSIBLE ECUADOREAN
EXCLUSION ON NEW ECONOMIC ASSISTANCE LEGISLATION

1. RECENT NEWS REPORT THAT ECUADOR, ALONG WITH VENEZUELA
AND ARGENTINA, IS TO BE EXCLUDED FROM ECONOMIC ASSIST-
ANCE LEGISLATION BEING CONSIDERED BY CONGRESS IS BEGIN-
NING TO PROVOKE RESPONSE IN THE ECUADOREAN PRESS.

2. TIEMPO COLUMNIST BENGAMIN ORTIZ ON AUGUST 9, AFTER
DECLARING THAT THE GREAT POWERS HAVE GRANTED ASSISTANCE
AS COMPENSATION FOR AN UNJUST INTERNATIONAL SYSTEM OF
PRICES THAT DISCRIMINATES AGAINST THE DEVELOPING COUNTRIES,
OUTLINES THE SPECIAL CASE OF ECUADOR. HE SAYS QUOTE
ECUADOR -- EVEN WITH PETROLEUM -- HAS NOT ESCAPED FROM ITS
POVERTY NOR FROM THE INTERNATIONAL COMMERCIAL SYSTEM.
IT CONTINUES BEING ONE OF THE LATIN-AMERICAN NATIONS WITH
GREATEST NEEDS, INCLUDING A DEFICIT FINANCIAL POSITION.

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IN THIS SITUATION THE EXCLUSION FROM ASSISTANCE, EVEN

THOUGH LIMITED IN AMOUNT, IS TO CAUSE DIRECT ECONOMIC INJURY. END QUOTE.

3. ORTIZ GOES ON TO STATE THAT SINCE THE EXCLUSION DOES NOT HAVE A RATIONAL ECONOMIC EXPLANATION IT MUST BE OF A POLITICAL NATURE. QUOTE. IT DOES NOT REQUIRE GREAT EFFORT TO FIND THE MOTIVE IN ECUADOR'S PARTICIPATION IN OPEC, THE ORGANIZATION WHICH FOR THE FIRST TIME IMPOSED PRICES ON A PRIMARY MATERIAL. THE ASTONISHING REACTION OF THE U.S. WAS THE ELIMINATION OF VENEZUELA AND ECUADOR FROM SPECIAL TRADE PREFERENCES. NOW THE REACTION HAS GONE FURTHER WITH EXCLUSION FROM THE LAW FOR DEVELOPMENT AND FOOD ASSISTANCE. EVEN THOUGH THIS IS LESS SIGNIFICANT ECONOMICALLY THAN EXCLUSION FROM TRADE PREFERENCES, IT DOES DEMONSTRATE POLITICAL HARDENING IF ONE CONSIDERS THE MOTIVES -- WHICH MIGHT ALMOST BE CALLED HUMANITARIAN -- OF LAWS FOR ECONOMIC ASSISTANCE. END QUOTE.

4. COMMENT. AS SEEN IN THE CITATION ABOVE, THE ECUADOREANS VIEW THIS AS ANOTHER DIRECT SLAP AT THEM BECAUSE OF THEIR PARTICIPATION IN OPEC. THIS, ALONG WITH U.S. ACTION WHICH ECUADOREANS HAVE CONSTRUED AS RETALIATION FOR THEIR MEASURES TO PROTECT WHAT THEY REGARD AS THEIR NATIONAL RESOURCES WITHIN THEIR DECLARED 200 MILE SEA ZONE, WILL LIKELY ADD TO THE CONSTERNATION OF THE MAJORITY OF GOE OFFICIALS WHO ARE BASICALLY FRIENDLY TOWARD THE U.S.
BREWSTER

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